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Greece

Special Stone Fruit Report

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Report Highlights: Adverse weather conditions in March 1998, seriously affected stone fruit production in Greece but 1999 output is expected to be between 25-35 percent greater due to improved weather conditions. Greece is self sufficient in stone fruits with most product going to the processing sector and to meet consumer demand. The remainder is exported with about 75% going to other EU countries. Little stone fruit is imported except for during off season. Recent changes in the common agricultural policy for horticultural products, such as the sharp reduction in withdrawal levels, will increase fresh fruit availability and could stimulate exports of fresh produce.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Athens [GR1], GR

Executive Summary [1](#)
PRODUCTION [2](#)
TRADE [5](#)

Executive Summary

Adverse weather conditions in March 1998, seriously affected stone fruit production in Greece. However, output was still higher than in 1997 due to disastrous weather conditions. According to information from the producing regions, 1999 output is expected to recover to normal levels due to favorable weather conditions to date with production roughly estimated to be between 25-35 percent over that produced in 1998, depending on type of tree crop, region and weather conditions through harvest time. According to the Hellenic Fresh Fruit & Vegetables Traders Association, 70-75 percent of stone fruit exports from Greece go to other EU member states. The Munich central fresh market, absorbs most of the Greek fresh produce, where it is redistributed to neighboring countries. Greece is self sufficient in stone fruits. Fresh produce first goes to meet the demands of the processing sector (canning, drying, fruit juices, confectionary) and to consumers for table fruit. Product not used for these markets is then exported. Imports of specialty fruits take place periodically but little stone fruit is brought in except in seasons of shortage such as winter time.

Recent changes in the common agricultural policy for horticultural products, such as the sharp reduction in withdrawal levels, will increase fresh fruit availability and could stimulate exports of fresh produce. However, Greece will have to increase their marketing efforts to regain the traditional markets it lost in the past years due to reduced supplies,

PRODUCTION

Greek stone fruits produced in commercial quantities are fresh peaches, apricots and sweet cherries. Plums and sour cherries are produced in Greece but at negligible amounts and are only processed and consumed domestically in jams and juices, dried and/or caramelized for confectionary uses. Greece is a large importer of dried plums from France and the US. Ministry of Agriculture production figures of stone fruit by type are presented in the table below. Figures on processed amounts, withdrawals and fresh produce availability, were taken from various sources (.Post reports & analysis, AgMin and Trade Associations and AgMin Statistical service/ EUROSTAT office).

1994 (Peaches in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
1,174,000	293,500	759,000 1/	121,500 2/
1/ of which 103,000 nectarines			
2/ of which 39,000 nectarines			

1995 (Peaches in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
725,000	303,000	193,000 1/	229,000 2/
1/ of which 26,000 nectarines			
2/ of which 64,000 nectarines			

1996 (Peaches in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
945,000	295,000	312,000 1/	338,000 2/
1/ of which 34,000 nectarines			
2/ of which 88,000 nectarines			

1997 (Peaches in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
315,000	147,000	7,500 1/	160,500 2/
1/ no nectarines withdrawn			
2/ of which 35,000 nectarines			

1998 (Peaches in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
480,000	227,000	2,500	250,500 1/
1/ of which 70,000 nectarines			

1994 (Apricots in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
76,000	18,000	16,400	41,600

1995 (Apricots in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
34,000	12,000	5	21,995

1996 (Apricots in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
46,000	16,150	None	29,850

1997 (Apricots in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
40,000	10,100	None	29,900

1998 (Apricots in metric tons)			
Total Output	Canned	Withdrawals	Fresh Availability
35,000	3,000	None	32,000

Sweet Cherries - Production (MT)			
Year	Total Production	Processed	Fresh availability
1994	40,680	4,500	36,180
1995	39,750	4,500	35,250
1996	39,560	4,200	35,360
1997	33,000	3,800	29,200
1998	40,800	4,800	36,000

Sour Cherries - Production (MT)			
Year	Total Output	Processed	Fresh availability
1994	2,920	All	None
1995	2,850	“	“
1996	2,354	“	“
1997	2,271	“	“
1998	2,540	“	“

Plums - Production (MT)			
Year	Total Output	Processed (Dried) 1/	Fresh availability
1994	4,000	250	3,750
1995	5,320	320	5,000
1996	3,660	200	3,460
1997	2,972	230	2,742
1998	3,000	280	2,720
1/ Only one variety produced in the island of Skopelos			

TRADE

Greece is self sufficient in fresh stone fruit, and imports only dried plums, dried apricots, and canned and dried cherries for its confectionary, snack and fruit cocktail industries. Exports of stone fruits are an important part of the sector, especially for fresh peaches, nectarines, apricots and sweet cherries. Fresh stone fruit from the US is not imported, but, US dried plums are well accepted by Greek consumer. In the table below, fresh stone fruit trade data (CY 1993 to 1997) are provided. The data is from the Hellenic Exporters Association of Fresh Fruit & Vegetables, which is considered to be the most reliable of various data sources.

Total exports of stone fruit in MT and \$U.S. (CY Basis).				
	1993		1994	
	Exports in MY	Value	Exports in MY	Value
Apricots	14,263	13,611	15,007	17,935
Peaches/Nectarines	62,440	34,381	68,679	27,839
Cherries	8,801	n/a	8,812	n/a

Total exports of stone fruit in MT and \$U.S. (CY Basis)						
	1995 1/		1996 1/		1997 1/	
	Exports in MY	Value	Exports in MY	Value	Exports in MY	Value
Apricots	10,387	21,386	5,876	5,215	3,675	1,775
Peaches/Nectarines	78,666	26,248	45,537	26,149	14,437	14,988
Cherries	10,854	n/a	6,702	n/a	9,056	n/a
1/ 1995 figures refer to gross weight basis, while 1996 & 1997 refer to net weight basis (conversion rate from gross to net weight basis: 10%)						

Exports of fresh stone fruit by country and destination (1995-1996-1997)									
Sweet Cherries				Apricots			Peaches/Nectarines		
	1995 1/	1996	1997	1995 1/	1996	1997	1995 1/	1996	1997
EU	-	-	-	-	-	-	-	-	-
Belgium	-	17	22	-	5		87	234	
France	86	-	-	107	-	-	97	-	36
Germany	4,411	2,450	5,504	7,571	3,175	2,892	35,350	13,786	2,853
Italy	60	15	37	-	-	-	275	-	-
Holland	6,068	2,958	3,162	601	229	124	8,321	2,411	383
U.K.	8	19	214	494	82	-	670	486	109
Denmark	55	19		17	-	-	534	36	19
Spain	-	-	57	-	-	-	110	-	18
Austria	157	52	-	1,420	659	390	5,943	1,132	35
Sweden	5	8	9	19	-	-	704	628	88
Finland	-	18	-	-	-	-	61	-	-
Third Countries									
Serbia	-	-	-	-	-	1	-	21	23
FYROM	-	-	-	-	-	1	44	577	430
Bosnia	-	-	-	-	-	-	-	17	-
Croatia	-	-	-	-	-	-	774	313	70
Slovenia	-	-	-	-	-	-	55	72	-
Switzerland	-	-	31	19	-	57	-	-	-
Russia	-	11	1	43	151	131	3,866	6,988	4,271
Ukraine	-	-	15	-	-	-	-	17	127
Latvia	-	-	-	-	-	-	-	4	31
Belarus	-	-	-	-	-	-	220	398	274
Lithuania	-	-	-	-	-	-	4	2	67

Esthonia	-	-	2	-	-	3	-	-	6
Norway	-	-	-	-	-	-	11	-	-
Albania	1	-	-	12	39	17	2,760	3,090	1,190
Bulgaria	2	-	-	62	11	19	3,425	1,485	827
Hungary	-	-	-	-	-	-	129	-	-
Poland	1	-	-	19	9	24	9,145	6,230	2,263
Romania	-	-	-	3	23	16	779	851	231
Czech Rep	-	-	-	-	19	-	4,275	2,141	377
Slovakia	-	-	-	-	-	-	120	246	50
Moldova	-	-	-	-	-	-	-	632	144
Other	-	1,135	2	-	1,474	-	907	3,740	515
1/ 1995 figures refer to gross weight basis, while 1996 & 1997 refer to net weight basis (conversion rate from gross to net weight basis: 10%)									

In 1996, the EU terminated its special support program for Greek fresh fruit exporters which was in place during the war in Bosnia. This program subsidized exports due to the loss of transportation routes through Yugoslavia which made exports to the central European fruit markets more expensive. Exporters and trade organizations have complained about the removal of this program because they claim that the transportation routes and conditions through Yugoslavia have not yet been fully restored to allow safe transit.

Another concern of the stone fruit sector is their exclusion from EU Reg. No 866/90 funding. This program provides developmental funding to be used at the discretion of the Agricultural Ministry. The AgMin uses these funds for other sectors. Stone fruit producers would like to have funding from this program to develop fruit packaging units, fruit refrigeration plants, and HACCP and ISO 9000 projects. They argue that these funds would help the sector become more modernized and respond better to the demand for high product in the EU member states.

Other problems faced by the sector include: a sharp reduction of EU export subsidies, a minimal increase in grower prices, the increasing cost of production on farm and the increasing expenditure for packaging material due to recent devaluation of the drachma. In addition, the GOG has not been able to apply the new EU common market organization for fruits and vegetables, due to a lack of understanding of how the program functions among the farmers, cooperatives and the government. As a result, the GOG has not been able to take advantage of EU funding for the program.

The EU withdrawal program for fresh fruit resulted in a reduced availability of product for exports. As a result, Greece lost market share in some of its traditional markets. Currently, under EU Regulation No. 2200, in the framework of the new CAP for the Horticultural products, withdrawals will have to be reduced from a 40% ceiling level to a 10%. The additional fruit available for marketing should increase quantities available for

export.

The economic crisis in Eastern Europe has disrupted Greek exports to these markets and so the EU has become a prime target for trade expansion, particularly for fresh produce. The first priority of the sector is to improve quality, reduce costs of transportation, benefit from added value of prepackaged fruits as opposed to shipping in bulk. The sector is also looking to establish a Fresh Fruit Quality Labeling System in compliance with EU Reg.2251/92.

Although EU and GOG support is decreasing, Greek exports will continue to command a fair share in the European markets due to the high quality of fruit and large supplies. If Greece uses the Increased availability of fruit due to the reduction of withdrawals with improved marketing and increased promotional activities, it can become more competitive, increase exports and expand their markets.

According to the Greek Tourism Organization (EOT), in 1999, approximately 12 million tourists are expected to arrive in Greece (25% over the 1998 arrivals). This will increase the demand for stone fruit in the summer period. This trend will continue to increase in the short term as tourism builds toward the 2004 Olympics to be held in Athens. This increased seasonal demand may stimulate imports, but probably from EU member states along the Mediterranean as well as from countries with preferential trade agreements with the EU (i.e. North Africa), as opposed to other third countries.